Page 1

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

IN RE:

) CA No. 01-12257-PBS

PHARMACEUTICAL INDUSTRY AVERAGE
)
WHOLESALE PRICE LITIGATION
) Pages 1 - 25

STATUS HEARING

BEFORE THE HONORABLE PATTI B. SARIS UNITED STATES DISTRICT JUDGE

United States District Court 1 Courthouse Way, Courtroom 19 Boston, Massachusetts October 8, 2009, 4:10 p.m.

LEE A. MARZILLI
OFFICIAL COURT REPORTER
United States District Court
1 Courthouse Way, Room 7200
Boston, MA 02210
(617)345-6787

```
Page 2
     APPEARANCES:
 2
          THOMAS R. SOBOL, ESQ., Hagens Berman Sobol Shapiro,
     LLP, 55 Cambridge Parkway, Cambridge, Massachusetts, 02142,
 3
     for the Class Plaintiffs.
 4
          STEVE W. BERMAN, ESQ., Hagens Berman Sobol Shapiro,
     LLP, 1301 5th Avenue, Suite 2900, Seattle, Washington,
 5
     98101-1090, for the Class Plaintiffs.
 6
          JENNIFER FOUNTAIN CONNOLLY, ESQ., Wexler Wallace, LLP,
     55 W. Monroe Street, Suite 3300, Chicago, Illinois, 60603,
     for the Class Plaintiffs.
          DONALD E. HAVILAND, ESQ. and MICHAEL LORUSSO, ESQ.,
     The Haviland Law Firm, LLC, 111 S. Independence Mall East,
 9
     Suite 1000, Philadelphia, Pennsylvania, 19106, for the
     Plaintiffs, Therese Shepley and Larry Young.
10
          ANDREW D. SCHAU, ESQ., Patterson Belknap Webb & Tyler,
11
     LLP, 1133 Avenue of the Americas, New York, New York,
     10036-6710, for the Defendant, Johnson & Johnson.
12
13
14
15
16
17
18
19
20
21
22
23
24
25
```

```
Page 3
 1
                        PROCEEDINGS
                THE CLERK: In Re: Pharmaceutical Industry
 3
     Average Wholesale Price Litigation, Civil Action 01-12257,
     will now be heard before this Court. Will counsel please
 5
     identify themselves for the record.
 6
                MR. SOBOL: Good afternoon, your Honor. Tom Sobol
     for the class plaintiffs.
                MR. BERMAN: Steve Berman for the class.
                MS. CONNOLLY: Good afternoon, your Honor.
10
     Jennifer Connolly for the class.
11
                MR. HAVILAND: Your Honor, Don Haviland for
12
     Therese Shepley and Larry Young.
13
                MR. LoRUSSO: Good afternoon, your Honor. Michael
14
     LoRusso for Therese Shepley and Larry Young.
15
                MR. SCHAU: Andrew Schau, Johnson & Johnson.
16
                THE COURT: So, first of all, what's happening
17
     next week?
               Someone told me there's a First Circuit argument
18
     next week.
19
                MR. BERMAN:
                            There was a First Circuit argument
20
     today of the consumer AstraZeneca case.
21
                THE COURT: Oh, that's the consumer. So what's
22
     that about? I've lost track of them all.
23
                MR. BERMAN: That was the settlement we had of the
24
     consumers, Track One. Mr. Haviland objected to the
25
     settlement.
```

```
Page 4
 1
                THE COURT: This is your objection. That's why
 2
     you're all here.
                MR. BERMAN: Yes.
                THE COURT: I got it, I got it, because Robert
 5
     said it's got to be today. So that's because there was an
     argument today, and you came in from Washington? Is that
 7
     it?
                MR. BERMAN: Correct.
                THE COURT: And then next week we have Track Two,
10
     right? Is that wrong? Because a lot of these old dates are
11
     on calendars, and I'm confused.
12
                MR. BERMAN: The Track Two settlement I think has
13
     been changed.
14
                MS. CONNOLLY: We just asked.
15
                MR. BERMAN: We just asked. We still haven't
16
     gotten the data to send the notice out.
17
                THE COURT: I see. So there is nothing in
18
     Track Two coming up?
19
                MR. BERMAN: Not imminently, no. I think we just
20
     filed a motion this week explaining to you where we are on
21
     that, asking for a new notice to come out and for some new
22
     dates.
23
                THE COURT: And where are the national class
24
               Is that on appeal to the First -- see, I'm glad
25
     you're here because I have no memory. The national class
```

```
Page 5
     actions, did I stay that pending the AWP opinion?
                MR. BERMAN: You did.
                THE COURT: So that now needs to go up there.
                MR. BERMAN: Well, it's in the First Circuit, and
 5
     the First Circuit sustained your verdict on AstraZeneca.
                THE COURT:
                            Right.
                MR. BERMAN: So we're back down here.
                THE COURT: No, but what about the thing we spent
 9
     six months or I spent six months on -- God knows how long
10
     you spent -- trying to figure out the groupings of the
11
     different statutes? Where is that?
12
                             That you stayed pending the appeal,
                MR. BERMAN:
13
     which has now been decided.
14
                THE COURT: All right, so now it's here.
15
                MR. BERMAN: It's here.
16
                THE COURT: So now AstraZeneca may want to appeal
17
     that on a national -- they're not sitting here, so --
18
                MR. BERMAN:
                            They have filed a petition for
19
     rehearing today of your verdict decision, and they're going
20
     to petition the Supreme Court, so they want to go further
21
     up.
22
                THE COURT:
                            So we're not even close to hitting the
23
     national class groupings. Remember, I grouped for some, I
24
     struck out some states, and then I said, another way to do
25
     this would be state by state.
```

```
Page 6
 1
                MR. BERMAN: I think we're fairly close because
     the petition for hearing is denied, which they usually act
 3
     fairly quickly. Then I think we're back here because
     there's no stay while they're filing a cert petition.
 5
                THE COURT: No, but then they have a right to
     appeal me, right, under 23(f) on the class cert, which I'd
 7
     be surprised if they didn't. So it's premature to set a
     trial date on that, right, or not? Maybe I should have a
     status on that as well once we're --
10
                MR. BERMAN: I think I would like that, yes.
11
                THE COURT: So now we're at Johnson & Johnson, and
12
     one of the things that confused me about this -- I barely
13
     remember it. Let's start with that basic fact. It was at
14
     the tail end of the trial. I think what I thought I was
15
     doing was resolving Class 1 under 93A, not under every state
16
     statute. Now, was that not true?
17
                MR. BERMAN: Well, we thought that you had, and
18
     the judgment reflects that you had done it nationwide.
19
                MR. SCHAU:
                            That's correct. I can't tell you what
20
     you anticipated you were doing.
21
                THE COURT: Well, all we talked about in court was
22
           So, truthfully, that wasn't my intent at all to
23
     resolve it nationally. Does it say "nationally," or does it
24
     just say "93A"? I only had 93A. I hadn't certified a
25
     national class. How could I possibly have --
```

```
Page 7
 1
                MR. SCHAU: You had certified a national class for
 2
     Class 1.
 3
                MR. BERMAN: For Class 1 you had a national class
 4
     without --
 5
                THE COURT: Well, I had no intent to dismiss it
     other than for Massachusetts. Let's put it this way: No
     one was more surprised than I. Maybe the language went in
     too fast or whatever. But I did intend for Massachusetts.
     I couldn't have possibly thought through the country because
10
     at that point I hadn't gone through all the national laws.
11
     So I did it under 93A was my intent. And if I was negligent
12
     in how I phrased it, I think I just took your wording, and I
13
     just didn't intend that, I didn't write on it. But I did
14
     intend it for 93A. So where does that leave us?
15
                MR. BERMAN:
                            Well, I think, as I interpret the
16
     First Circuit opinion, because Class 1 was not -- there was
17
     no Class 1 93A trial, and they have a right to a jury, I'm
18
     not sure that your decision is binding. I mean, we never
19
     presented Class 1 --
20
                THE COURT: I thought 93A you don't get a right to
21
     a jury.
22
                MR. BERMAN: You don't get a jury, okay.
23
                THE COURT: So let's just back up a little.
24
     came up in about ten minutes at the tail end of the case.
25
     My intent was that under 93A, that it wouldn't fly.
```

```
Page 8
     wrote it more broadly, it's because I took your language,
     and it wasn't my intent, all right? So if someone had
 3
     simply moved for reconsideration, I could have clarified
     that point on national versus state.
                But right now all I'm thinking about is the state,
     and so what -- that was my view is that it wasn't -- you
     know, I had said there were no per se liability. I had
     found that that was the industry and government norm.
     30 percent bump, which was yours, I bought hook, line, and
10
     sinker and was affirmed on that. But I think, even under
11
     just the state law, what the First Circuit was saying is, I
12
     need to at least officially go through the summary
13
     judgment's last trial piece of it.
14
                MR. BERMAN: And apply the summary judgment
15
     standard as to --
16
                THE COURT: Right, yes. So that's what I'm
17
     planning on doing. You asked for the status probably
18
     because you were in town.
19
                MR. BERMAN: Because I wanted to know how you
20
     wanted us to proceed.
21
                THE COURT: Well, that's absolutely correct.
22
     the issue really is 93A Massachusetts. I couldn't possibly
23
     decide it under every state law in the country because I
24
     hadn't even done that yet, right? I mean, I hadn't even
25
     looked at them yet.
```

```
Page 9
 1
                MR. BERMAN: Well, you had distinguished between
     the consumers and the third-party payors, and you certified
 3
     nationwide, because you didn't think the difference in law
     was so great, basically all the states.
 5
                THE COURT: Right. Well, I did that subsequently.
                MR. BERMAN: Right, and so --
                THE COURT: But let me just say, under 93A, there
     is a certain level of outrageousness, and the question is,
     is anything within the 30 percent that outrageous? And so
10
     we need to at least have that argument with the clear signal
11
     from the First Circuit.
12
                            Okay. So I think it's their burden
                MR. BERMAN:
13
     to bring a summary judgment motion.
14
                THE COURT:
                            Yes.
15
                MR. SCHAU: Yes, I would think that perhaps two
16
     steps are in order. If you intended to enter judgment under
17
     93A against consumers in Massachusetts, I don't think it's
18
     necessary to move for --
19
                THE COURT: Yes, it is.
20
                MR. SCHAU: Okay, we can make a motion limited to
21
     Massachusetts.
                     Then I think Johnson & Johnson would also
22
     like to make a motion directed to the balance of the
23
     Class 1. We think you have already decided in your 2006
24
     summary judgment decision granting summary judgment against
25
     Class 1 for the period 2004 forward that the relevant
```

Page 10 1 question --THE COURT: Let me put it this way: I have not, 3 intentionally anyway, ruled on the rest of the states. I've actually, unfortunately, plowed through the laws in all 5 these different states. So the question really is, on Johnson & Johnson, I found there was no liability with respect to the third-party payors and the consumer plaintiffs. So now the question is, should I simply have a bench trial, which is all you get, based on the old 10 evidence, and make a finding with respect to Class 1? 11 Should I do it based on summary judgment? How do you want 12 me to proceed on Class 1 with 93A? And then we can address 13 what we should do with respect to the nation because as the 14 First Circuit points out, and I actually found, many of 15 these states require jury trials. So --16 MR. SCHAU: Well, I think, under 93A, if I read 17 the First Circuit's decision correctly, we should probably 18 move for summary judgment and have you decide. 19 THE COURT: I'm not sure, or whether you just want 20 to go based on the evidence of the bench trial and make 21 findings on fact and law. I think that's almost a better 22 way to go. 23 MR. SCHAU: Okay. 24 MR. BERMAN: I'm okay with that. 25 THE COURT: Because I have heard it.

```
Page 11
     new evidence, exact same lawyer, exact same plaintiffs.
                MR. SOBOL:
                            The exact same lawyer?
                THE COURT:
                            What? I mean plaintiffs' lawyers, the
 4
     plaintiffs' lawyers, right? It's the exact same thing.
 5
     the only issue is whether I should apply it a little
     differently or a lot differently because it involves
     Medicare beneficiaries as opposed to third-party payor
     consumers, right?
                MR. BERMAN:
                            Correct.
10
                THE COURT:
                            Why should I go through the whole
11
     rain dance of summary judgment when I've actually got a
12
     record?
13
                MR. SCHAU:
                            Sure.
14
                            But then there's another issue with
                THE COURT:
15
     respect to the rest of the class.
16
                MR. SCHAU: Right. I guess I'm a little confused
17
     now.
18
                THE COURT: I was confused. I wasn't sure what
19
     was argued up there. I don't know what was said.
20
     definitely left it open for me to do summary judgment, for
21
     me to do basically what I felt was appropriate. And the
22
     issue is whether or not on Massachusetts only I should do it
23
     based on the evidence that I have, and I think answer is
24
     "yes" because then I'm making fact findings rather than
25
     drawing all reasonable inferences. Then we get to the rest
```

```
Page 12
     of the country, right?
                MR. BERMAN: Correct.
                THE COURT: And then we have to decide that, I
 4
     think.
 5
                Now I'm going to ask you all this: If there were
     a separate trial for the rest of the country -- let's talk
     about the rest of the country right now -- do we want to do
     that on summary judgment? Or is there new evidence that you
     would deal with for the rest of the country? Or do you want
10
     me to just rely on the same evidence for the rest of the
11
     country?
12
                MR. BERMAN: Well, I think that given the fact
13
     that you called it a close call, right, and that there's
14
     deferential scale on summary judgment, evidence is construed
15
     in the light most favorable to the plaintiff, I don't see
16
     how we could ever find summary judgment is appropriate.
17
     You're just going to wind up with a bunch of boxes. It's a
18
     triable issue.
19
                THE COURT: Not on -- well, 93A I think we can
20
     easily do on the evidence.
21
                MR. BERMAN: I understand that, but in a jury
22
     trial states, if you read this very carefully, I think that
23
     the First Circuit is saying --
24
                THE COURT: Well, I think what we should do is
25
     leave you the chance to file a motion for summary judgment,
```

Page 13 see what happens with AstraZeneca, because I'm not going to -- and I need to make findings under 93A, which I already

- thought I had done, but I understand why there's confusion.
- 4 So now I need to deal with what to do with the rest of the
- 5 country. What do you want to do with the rest of the
- 6 country? Do you want to file a motion for summary judgment
- ⁷ for the rest of the country?
- MR. SCHAU: I do. I think that there's no
- 9 particular urgency to that, and therefore I'd be interested
- in what you would expect from us.
- THE COURT: I've already been doing this for eight
- 12 years.
- MR. SCHAU: Right.
- THE COURT: My sense of urgency is just to finish
- it, at least the class end, okay? I've got all these
- 16 federal government cases. Talk about rooms of documents,
- wait till you see what's happening in the relator cases.
- 18 It's unbelievable. And I have all the state cases. It's
- overwhelming at this point. It's more, not less. So you
- don't want to get bogged down in all of that.
- I am going to make fact-findings as a trial judge
- on Class 1. That's what I thought I was doing last time,
- and I didn't do it well enough. On the rest of it, I didn't
- 24 think I was doing the whole thing. Now, maybe I was tired
- at the end and didn't notice what the language said, and no

Page 14 one asked me to clarify, so, okay, I wasn't planning on doing it for the country. So now we have the second piece 3 of it. MR. BERMAN: He wants to move for summary 5 I've explained why I think it's just going to be a waste of paper, but, okay, and I'd like to set a trial 7 This has got to end. I feel the same sense of date. urgency as you. 9 It's not worth it until I find out 10 whether or not they're willing to try a national class in 11 this courtroom. That's why I asked the original case first. 12 I'm not sure whether that means --13 MR. BERMAN: I'm not following you. By the time 14 we --15 THE COURT: In other words, I certified a national 16 class with respect to AstraZeneca, right? 17 MR. BERMAN: You did for third-party payors. 18 THE COURT: Right. 19 MR. BERMAN: And that's a different standard in 20 terms of state laws. You haven't grouped them for consumers 21 because you found you didn't have to. So whatever happens 22 in the First Circuit --23 THE COURT: I don't remember that. I actually 24 don't remember that, whether or not -- I know there were no 25 individualized issues with respect to individual consumers

```
Page 15
     because they knew nothing, but the issue is, isn't there
     still a difference in state laws?
 3
                MR. BERMAN: Well, some state laws, for example,
 4
     don't allow TPPs to sue. There's all kinds of special
 5
     issues about third-party payors.
                THE COURT: I'm sorry, I'm just not remembering,
     and, I'm sorry, I didn't actually know you were coming in
     today till about 25 minutes ago, so I'm focusing.
 9
     in, I take it, just because you happened to be in town?
10
     that it?
11
                MR. BERMAN:
                            Yes.
12
                           When I certified a national class of
                THE COURT:
13
     consumers, Medicare beneficiaries, under what statutes?
14
     the state statutes?
15
                MR. BERMAN: Correct.
16
                THE COURT: Was that appealed?
17
                MR. BERMAN: Yes.
18
                THE COURT: That's what's appealed, right?
19
                MR. BERMAN: And it was denied.
20
                THE COURT: With respect to AstraZeneca.
21
                MR. SCHAU: Permission to appeal was denied.
22
                THE COURT:
                            What?
23
                MR. SCHAU: Permission to appeal was denied.
24
                MR. BERMAN: Correct.
25
                MR. SCHAU:
                            That has not -- we sought to appeal
```

```
Page 16
     your Class 1 national finding. We were denied permission to
     bring that appeal. So it was appealed only in the sense
 3
     that we sought permission, and we were not allowed to.
                THE COURT: So, now, why isn't he right then, I
 5
     mean, if it's a different issue than what's on appeal now,
     or will be on appeal?
                MR. SCHAU: Because I think -- well, there may
 8
     come a time --
 9
                THE COURT: AstraZeneca settled, right, on the
10
     Class 1?
11
                MR. BERMAN:
                            Exactly.
12
                            There may come a time when you ought
                MR. SCHAU:
13
     to set a trial date, but I would like the opportunity to
     move for summary judgment. And we don't need to argue the
14
15
     merits of that motion today, but we think we have a sound
16
     motion.
17
                MR. BERMAN: As everyone does, and we set trial
18
     dates, and if you win, we strike the trial date.
19
                THE COURT: At the time, I might have done all
20
            I have now become fully cognizant of the variations
21
     in the various statutes. So some do require jury trials.
22
                MR. SCHAU: Unless you grant summary judgment.
23
                            So the question is, if I grant summary
                THE COURT:
24
     judgment on one that doesn't, does that apply to all the
25
     other ones that don't?
```

```
Page 17
 1
                MR. BERMAN: You can't --
                THE COURT: And just send the ones with jury
 3
     trials to the jury?
                MR. BERMAN: Correct.
 5
                THE COURT: Is that realistically what we're
     talking about?
                MR. BERMAN: Yes, if you grant summary judgment.
     I don't think that's going to happen, but --
                THE COURT: No, no, no, hear me out.
10
     find as a matter of 93A law, which has a certain level of
11
     outrageousness to it, that it was a close call but this
12
     isn't that outrageous, like I did with the other ones, does
13
     that then preclude all the other states where it's just a
14
     bench trial? And I would just send to trial the jury trial?
15
     We all have to think about these issues.
16
                MR. BERMAN: I'd need to think about that.
                                                             Ι
17
     don't want to shoot off the top --
18
                THE COURT: Because as I'm now much more
19
     sophisticated about, and you are too, right, all these 93A
20
     statutes, it's not clear that every state construes it at
21
     the level of outrageousness, if you will, that 93A does.
22
                MR. BERMAN: That's correct.
23
                THE COURT: I'm now a lot more sophisticated about
24
     this stuff. We all need to go back through that.
25
                MR. BERMAN: Yes, I agree, to figure out which
```

```
Page 18
     states are now -- to group the states a little more
     precisely like we did with AstraZeneca.
                THE COURT: It may just be for outrageousness
 4
     states, you know what I mean, the ones that just sort of get
 5
     you to the high level of rascality that just make you want
     to vomit kind of standard, the vomit standard. I think some
     are lower than that. Am I wrong?
                MR. BERMAN: Some are lower than that.
                THE COURT: We didn't know that at the time.
10
                MR. SCHAU: Well, first of all, you have --
11
                THE COURT: You think I did, that some were lower?
12
                MR. BERMAN: I don't know. It wasn't briefed with
13
     that precision.
14
                THE COURT: It wasn't briefed, yes.
15
                MR. SCHAU: We still think we have a valid summary
16
     judgment motion. And when I said I was confused before,
17
     what I was about to raise with you was the fact that you
18
     have already entered summary judgment against the entirety
19
     of a national Class 1 claim based on government knowledge as
20
     of 2003.
21
                THE COURT:
                            Right.
22
                MR. SCHAU: Okay? So the question of whether or
23
     not you can do that, according to the logic of your own 2006
24
     decision, is, you can based on what the government knew, and
25
     that that conclusion controls the claims of all Class 1
```

```
Page 19
     members, be they resident of Massachusetts or anywhere else.
     And that will be essentially the basis of our motion.
 3
                THE COURT: Sure. All right, so --
                MR. SCHAU: And we will say that, we would concede
 5
     that consumers have never heard of AWP, and therefore do not
     themselves have expectations one way or the other; that
     therefore, based on the logic of your 2006 decision, the
     relevant question is what the government knew because they
 9
     were the ones that imposed the 20 percent payment obligation
10
     on consumers.
11
                THE COURT: No, no.
                                     That was imposed by statute.
12
                            The government, Congress, okay?
                MR. SCHAU:
13
     it is conceded and undisputed that the government knew of
14
     the kinds of spreads applicable to the two Johnson & Johnson
15
     drugs at issue. So even for mega spreads, which are not
16
     what we're talking about, you've entered summary judgment
17
     against all consumers throughout the country 2004 forward
18
     based on what the government knew.
19
                THE COURT:
                           But, no, that's based on the fact that
20
     the statute had changed. Wasn't it?
21
                MR. SCHAU: Well, you said that --
22
                THE COURT: Medicare Modernization --
23
                MR. SCHAU: Well, you said that by 2003, it had
24
     become a term of art, and so when Congress used the term --
25
                THE COURT: All right, so let's do this, let's do
```

Case 1:01-cv-12257-PBS Document 6603 Filed 10/21/09 Page 20 of 26 Page 20 1 You'll file a motion for summary judgment for the rest of the class. 3 Yes. MR. SCHAU: THE COURT: And a motion for judgment based on the 5 old trial record, which is what I thought I was doing before. MR. SCHAU: For Massachusetts. THE COURT: But I'm not even sure the court had as 9 much trouble with that as they did the whole country, just 10 reading the opinion, but you're going to file that. 11 You're going to file an opposition to the motion 12 for summary judgment, and you're going to file an opposition 13 to the 93A. But more importantly from you, I think you need 14 to come up with a little bit of a trial plan for me. 15 MR. BERMAN: Right. 16 THE COURT: Because I'm thinking out loud now 17 because we have done so much more since that. That was, 18 like, ten minutes of my life kind of thing as opposed to the 19 rest of it. We know a lot more about these statutes. 20 whether or not -- I believe, if I'm remembering, that a

are identical to Massachusetts. There's a huge amount of
unconscionability that it takes to get you there. But there
are many other statutes that weren't that onerous.

bunch -- there are a huge number of little FTCA acts which

MR. BERMAN: That's correct.

21

```
Page 21
 1
                THE COURT: Were you involved at all in watching
 2
         So I'm just trying to figure out --
 3
                MR. SCHAU: I looked at it a little bit from a
 4
     distance, but -- and I say "I" meaning me personally.
 5
     wasn't involved in that briefing. But, you know, I mean,
     there is the fact that Mr. Berman explained to you earlier
     in the proceedings, not today, that 93A has the most liberal
     standard, other than perhaps California, for the imposition
 9
     of liability, so --
10
                THE COURT: Weren't some of them --
11
                MR. SCHAU:
                           Pardon me?
12
                THE COURT:
                            I think there were two or three that
13
     were negligence standards, for example.
14
                MR. BERMAN: Why don't we do this.
15
                MR. SCHAU: All of them prohibit deceptive
16
     conduct.
17
                THE COURT: Right.
18
                MR. SCHAU:
                           Some of them prohibit unfair conduct.
19
                THE COURT: Right.
20
                MR. SCHAU: Okay? Those that prohibit
21
     deceptive --
22
                THE COURT: -- conduct only, you might win.
23
                MR. SCHAU: Right, on deceptive, right. So then
24
     the question is, those that add a layer of unfairness --
25
                THE COURT:
                            Right.
```

Page 22 1 MR. SCHAU: -- okay, could you find liability against Johnson & Johnson based on an unfairness prong, 3 where the relevant knowledge base is in the government rather than the consumers themselves? Because I don't think 5 any of us would dispute, the consumers have never heard of AWP. THE COURT: No, but the -- you know, let me not comment any further. I haven't reread that huge decision in 9 a while. But I remember in thinking about it, most of the 10 little FTCA acts fell either in the category of unfair and 11 deceptive or just deceptive, but there were a few outliers. 12 MR. BERMAN: Well, may I make a suggestion? 13 THE COURT: Yes. 14 MR. BERMAN: We've done the work. We did this in 15 AstraZeneca, and you issued a ruling. Why don't we submit 16 kind of a proposed trial plan. 17 THE COURT: Yes, and when you file your motion for 18 summary judgment, just read that and see if any of them 19 would -- because the issue is, once I make that decision, 20 whether or not that binds the rest of the country. I don't 21 know. 22 MR. BERMAN: Well, we would refine it for you. We 23 would say: Here's a like statute, jury trial or nonjury 24 trial, so you get an idea of how many states are entitled to 25 a jury trial on those issues, because that bears on, I

```
Page 23
     think, whether it binds the states.
                THE COURT: But why wouldn't I just wait and see
 3
     what happened with AstraZeneca? Or you would say, try it
     separately in any event?
 5
                MR. BERMAN: Right, because you've already
     indicated in a prior order that the trials would be separate
     between J & J and AstraZeneca.
                THE COURT: Because AstraZeneca already settled
 9
     Class 1?
10
                MR. BERMAN: Right.
11
                           And every other --
                THE COURT:
12
                MR. BERMAN: This is the last Class 1.
13
                THE COURT: All right.
14
                MR. SCHAU: I think, as a practical matter, if
15
     AstraZeneca were to prevail on its appeal of a national
16
     class under Classes 2 and 3, that might well counsel for
17
     allowing us then to appeal the grant of a national class on
18
     Class 1.
19
                THE COURT: Have you already -- it's too late,
20
     isn't it?
21
                MR. SCHAU: We tried to appeal and were denied
22
            I don't think that would preclude us from seeking
23
     leave to appeal in light of a new decision that shed light
24
     on that question. It may be that the Class 2 and 3 appeal
25
     by AstraZeneca cuts against us.
```

```
Page 24
 1
                THE COURT: Well, can I say this, and maybe I'm
                        I would be shocked if the First Circuit
     being naive here:
 3
     didn't allow some sort of national set of trials to go
               I thought it was difficult whether it was all
 5
     here, because it would be very difficult for me, or whether
     it was fifty different or thirty-six different trials.
     think reasonable people could disagree on what was a
     superior way of going, but I don't think they're going to
     say that it's over. The issue is, do you want to try this
10
     in fifty different states, or do you want to try it in one
11
     state?
             That's sort of -- am I -- that's how I put it,
12
     right? I mean, you get the one or the other, but I don't
13
     think it goes away.
14
                MR. SCHAU: I think you're probably right that --
15
     my question simply is, does it make sense to wait to hear
16
     what the First Circuit says?
17
                THE COURT: No.
                                 That I'm not going to do.
                                                             That
18
     I'm not doing. So when can you file briefs?
19
                MR. SCHAU: At your pleasure. We could do it by
20
     the end of the year. I mean, I'm pretty busy, but --
21
                THE COURT:
                           The end of the year?
22
                MR. SCHAU:
                           Thirty days?
23
                MR. BERMAN: I was thinking no later than thirty
24
     days.
25
                            Thirty days makes sense, thirty days.
                THE COURT:
```

```
Page 25
 1
                MR. SCHAU: Fair enough.
                THE COURT: On the motion for summary judgment, at
 3
             And I suppose that that will be a motion for summary
 4
     judgment nationally? Is that what you're saying?
 5
                MR. SCHAU: I think, logically, I may divide it
     into two, a Massachusetts-only based on --
                THE COURT: Which is just based on the findings,
 8
     and then a motion for summary judgment on the state.
 9
     get another thirty days to respond. And I don't know what
10
     the timetable for these other cases are.
11
                Now, in the meantime, let's go off the record.
12
                (Discussion off the record.)
13
                (Adjourned, 4:46 p.m.)
14
15
16
17
18
19
20
21
22
23
24
25
```

```
Page 26
 1
 2
                         CERTIFICATE
     UNITED STATES DISTRICT COURT )
 5
     DISTRICT OF MASSACHUSETTS
                                   )
                                    SS.
     CITY OF BOSTON
               I, Lee A. Marzilli, Official Federal Court
     Reporter, do hereby certify that the foregoing transcript,
10
     Pages 1 through 25 inclusive, was recorded by me
11
     stenographically at the time and place aforesaid in Civil
12
     Action No. 01-12257-PBS, In Re: Pharmaceutical Industry
13
     Average Wholesale Price Litigation, and thereafter by me
14
     reduced to typewriting and is a true and accurate record of
15
     the proceedings.
16
                In witness whereof I have hereunto set my hand
17
     this 20th day of October, 2009.
18
19
20
21
22
                    /s/ Lee A. Marzilli
23
                    LEE A. MARZILLI, CRR
                    OFFICIAL FEDERAL COURT REPORTER
24
25
```